

Power	Violations	Meetings	Elections	Community Manager
<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>
<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>
<u>30</u>	<u>30</u>	<u>30</u>	<u>30</u>	<u>30</u>
<u>40</u>	<u>40</u>	<u>40</u>	<u>40</u>	<u>40</u>
<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>

Power

A unit-owner's association has powers. Which is not one of the powers?

- a. Adopt and amend bylaws
- b. Inspect the inside of the unit at any time
- c. Hire and discharge contractors
- d. May impose charges for late payments of assessments



**Answer : B-> Inspect the inside of the unit at any time**

**See NRS 116.3102 for complete powers of unit-owner's association**



What are the two situations when an association does not have to post written notice on a vehicle at least 48 hours before removal?

- a. Blocking a maintenance drive way & or exit
- b. Blocking a fire hydrant & playground
- c. Blocking a fire hydrant or poses a threat of causing adverse effect on the healthy, safety or welfare of the residents
- d. A and B
- e. None



**Answer:** (C) Blocking a fire hydrant or poses a threat of causing adverse effect on the health, safety or welfare of the residents

**NRS 116.3102 Powers of unit-owners' association; limitations.**

(s) May direct the removal of vehicles improperly parked on property owned or leased by the association, as authorized pursuant to NRS 487.038, or improperly parked on any road, street, alley or other thoroughfare within the common-interest community in violation of the governing documents. In addition to complying with the requirements of NRS 487.038 and any requirements in the governing documents, if a vehicle is improperly parked as described in this paragraph, the association must post written notice in a conspicuous place on the vehicle or provide oral or written notice to the owner or operator of the vehicle at least 48 hours before the association may direct the removal of the vehicle, unless the vehicle:

(1) Is blocking a fire hydrant, fire lane or parking space designated for the handicapped; or

(2) Poses an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the units' owners or residents of the common-interest community.

The executive board always has to take enforcement action in exercising its power to impose sanctions.

- a. True
- b. False



## Answer: False

### NRS 116.3102 Powers of unit-owners' association; limitations.

3. The executive board **may** determine whether to take enforcement action by exercising the association's power to impose sanctions or commence an action for a violation of the declaration, bylaws or rules, including whether to compromise any claim for unpaid assessments or other claim made by or against it. The executive board **does not** have a duty to take enforcement action if it determines that, under the facts and circumstances presented:

- (a) The association's legal position does not justify taking any or further enforcement action;
- (b) The covenant, restriction or rule being enforced is, or is likely to be construed as, inconsistent with current law;
- (c) Although a violation may exist or may have occurred, it is not so material as to be objectionable to a reasonable person or to justify expending the association's resources; or
- (d) It is not in the association's best interests to pursue an enforcement action.



An association may adopt rules that restrict which waste containers are placed in the collection area. Which is not one of the limitations?

- a. Boundaries of the collection area
- b. Time in the collection area
- c. Length of time in the collection area
- d. Color and height of the container



Answer (D) Color and height of the container

**NRS 116.332 Right of units' owners to store containers for collection of solid waste or recyclable materials; adoption of rules by association.**

3. An association of a planned community may adopt rules that reasonably restrict the conditions under which containers for the collection of solid waste or recyclable materials are placed in the collection area, including, without limitation:

- (a) The boundaries of the collection area;
- (b) The time at which the containers may be placed in the collection area; and
- (c) The length of time for which the containers may be kept in the collection area.

What are the two flags that unit owners have the right to display? (per NRS 116.320)

- a. College flag & Sports flag
- b. United States Flag & Religious flag
- c. United States Flag & State of Nevada flag
- d. Right to display any flag



## **Answer (C): United States Flag & State of Nevada flag**

**NRS 116.320 Right of units' owners to display flag of the United States or of the State of Nevada in certain areas; conditions and limitations on exercise of right.**

1. Except as otherwise provided in subsection 2, the executive board of an association shall not and the governing documents of that association must not prohibit a unit's owner from engaging in the display of the flag of the United States or of the State of Nevada within such physical portion of the common-interest community as that owner has a right to occupy and use exclusively.

4. As used in this section, "display of the flag of the United States or of the State of Nevada" means a flag of the United States or of the State of Nevada that is:

- (a) Made of cloth, fabric or paper;
- (b) Displayed from a pole or staff or in a window;
- (c) With regard to a flag of the United States, displayed in a manner that is consistent with 4 U.S.C. Chapter 1; and
- (d) With regard to a flag of the State of Nevada, not larger than the size of a flag of the United States that is displayed, if at all, by a unit's owner.

The term does not include a depiction or emblem of the flag of the United States or of the State of Nevada that is made of balloons, flora, lights, paint, paving materials, roofing, siding or any other similar building, decorative or landscaping component.

**(see website for complete statute-[www.red.nv.gov](http://www.red.nv.gov))**

# Violations

Question

Per NRS 116.31031 the executive board may if the governing documents so provide prohibit the unit owner from voting and may charge the unit owner to use common elements if they violate a provision of the governing document?

- A. True
- B. False

**Answer (B) False**

**NRS 116.31031 Power of executive board to impose fines and other sanctions for violations of governing documents; limitations; procedural requirements; continuing violations; collection of past due fines; statement of balance owed.**

1. Except as otherwise provided in this section, if a unit's owner or a tenant or an invitee of a unit's owner or a tenant violates any provision of the governing documents of an association, the executive board may, if the governing documents so provide:

(a) Prohibit, for a reasonable time, the unit's owner or the tenant or the invitee of the unit's owner or the tenant from:

(1) **Voting on matters** related to the common-interest community.

(2) **Using the common elements.**

All fines can be \$100?

- A. True
- B. False





## Answer ( B) False

**NRS 116.31031 Power of executive board to impose fines and other sanctions for violations of governing documents; limitations; procedural requirements; continuing violations; collection of past due fines; statement of balance owed.**

If the violation poses an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the units' owners or residents of the common-interest community, the amount of the fine **must** be **commensurate with the severity of the violation** and must be determined by the executive board in accordance with the governing documents. If the violation does not pose an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the units' owners or residents of the common-interest community, the amount of the fine **must** be **commensurate with the severity of the violation** and must be determined by the executive board in accordance with the governing documents, but the **amount of the fine must not exceed \$100 for each violation or a total amount of \$1,000, whichever is less**. The limitations on the amount of the fine do not apply to any charges or costs that may be collected by the association pursuant to this section if the fine becomes past due.

Which of the following is not an allowable reason for **not** holding a violation hearing?

- A. Person for whom the fine is imposed sends in a written waiver to their right to hearing
- B. The board knows it is a solid violation, so no hearing is needed
- C. Fine is paid before the hearing

**Answer (B)** The board knows it is a solid violation, so no hearing is needed.

**NRS 116.31031 Power of executive board to impose fines**

6. The executive board must hold a hearing before it may impose the fine, unless the fine is paid before the hearing or unless the unit's owner and, if different, the person against whom the fine will be imposed:

- (a) Executes a written waiver of the right to the hearing; or
- (b) Fails to appear at the hearing after being provided with proper notice of the hearing.

If a board appoints a committee for violation hearings, how many members must be on the committee?

- A. Not less than 3
- B. Not less than 5
- C. Not less than 7
- D. There is no requirement

**Answer (A)** Not less than 3

**NRS 116.31031 Power of executive board to impose fines**

8. If the governing documents so provide, the executive board may appoint a committee, **with not less than three members**, to conduct hearings on alleged violations and to impose fines pursuant to this section. While acting on behalf of the executive board for those limited purposes, the committee and its members are entitled to all privileges and immunities and are subject to all duties and requirements of the executive board and its members.

What is the minimum amount of days that a board must allow for a unit owner to cure a violation?

- A. Within 5 days
- B. Within 7 days
- C. Within 10 days
- D. Within 14 days



Answer (D) Within 14 days

**NRS 116.31031 Power of executive board to impose fines**

7. If a fine is imposed pursuant to subsection 1 and the violation is not cured within 14 days, or within any longer period that may be established by the executive board, the violation shall be deemed a continuing violation.

# Meetings



A unit owners meeting must be held at least once a year. If the governing documents do not designate an annual meeting date when should the next meeting be held?

- A. Must be held one year after the date of the last meeting of the unit owners
- B. Must be held March 1, if the unit owners have not held a meeting for 1 year
- C. The board can vote every year and set a date
- D. Both A and B are correct

## Answer (D) Both A & B are correct

**NRS 116.3108 Meetings of units' owners of association; frequency of meetings; calling special meetings; requirements concerning notice and agendas; requirements concerning minutes of meetings; right of units' owners to make audio recordings of meetings.**

1. A meeting of the units' owners must be held at least once each year at a time and place stated in or fixed in accordance with the bylaws. If the governing documents do not designate an annual meeting date of the units' owners, a meeting of the units' owners must be held 1 year after the date of the last meeting of the units' owners. If the units' owners have not held a meeting for 1 year, a meeting of the units' owners must be held on the following March 1.

The notice of a unit owners meeting must include:

- A. State time and place
- B. State time and place and include a copy of the agenda
- C. The notice must include notification of the right of a unit owner to have copy of minutes and to right to speak to the association
- D. Both A & C
- E. Both B & C

Answer

Answer (E) Both B & C

## **NRS 116.3108 Meetings of units' owners of association;**

The notice of the meeting must state **the time** and **place** of the meeting and **include a copy of the agenda** for the meeting. The notice must include notification of the **right of a unit's owner** to:

(a) Have **a copy of the minutes or a summary of the minutes** of the meeting provided to the unit's owner upon request, in electronic format at no charge to the unit's owner or, if the association is unable to provide the copy or summary in electronic format, in paper format at a cost not to exceed 25 cents per page for the first 10 pages, and 10 cents per page thereafter.

(b) **Speak to the association** or executive board, unless the executive board is meeting in executive session.

Meeting minutes are recorded for unit owner's meetings and executive board meetings and executive board sessions.

- A. True
- B. False

Answer

Answer (B) FALSE

**NRS 116.31083 Meetings of executive board**

7. The secretary or other officer specified in the bylaws shall cause each meeting of the executive board to be audio recorded and the minutes to be recorded or otherwise taken at each meeting of the executive board, but **if the executive board is meeting in executive session, the meeting must not be audio recorded.**

During the period devoted to comments by the units' owners and discussion of those comments at the beginning of each meeting, comments by the units' owners and discussion of those comments must be limited to items listed on the agenda.

- A. True
- B. False

## Answer (A) True

### NRS 116.31083 Meetings of executive board; frequency of meetings

5. The agenda of the meeting of the executive board must comply with the provisions of subsection 4 of NRS 116.3108. A period required to be devoted to comments by the units' owners and discussion of those comments must be scheduled for both the beginning and the end of each meeting.

**During the period devoted to comments by the units' owners and discussion of those comments at the beginning of each meeting, comments by the units' owners and discussion of those comments must be limited to items listed on the agenda.** In an emergency, the executive board may take action on an item which is not listed on the agenda as an item on which action may be taken.



At least once every quarter and not less than once every 100 days, the board shall review what financial information at one of the meetings?

- A. A current year-to-date financial statement of the association
- B. A current reconciliation of the operating account of the association
- C. A current reconciliation of the reserve account of the association
- D. The latest account statements prepared by the financial institutions in which the accounts of the association are maintained
- E. All the above

# Answer

## Answer (E) All the above

### NRS 116.31083 Meetings of executive board

6. At least once every quarter, and not less than once every 100 days, unless the declaration or bylaws of the association impose more stringent standards, the executive board shall review, at a minimum, the following financial information at one of its meetings:

- (a) A current year-to-date financial statement of the association;
- (b) A current year-to-date schedule of revenues and expenses for the operating account and the reserve account, compared to the budget for those accounts;
- (c) A current reconciliation of the operating account of the association;
- (d) A current reconciliation of the reserve account of the association;
- (e) The latest account statements prepared by the financial institutions in which the accounts of the association are maintained; and
- (f) The current status of any civil action or claim submitted to arbitration or mediation in which the association is a party.

# Elections

Once the period of declarant control is terminated, the unit owners shall elect an executive board of at \_\_\_\_\_ members, all of whom must be units' owners.

- A. 2
- B. 3
- C. 4
- D. 5

Answer (B) 3

**NRS 116.31034 Election of members of executive board and officers of association; term of office of member of executive board; staggered terms; eligibility to be candidate for or member of executive board or officer of association; required disclosures; procedure for conducting elections; certification by member of executive board of understanding of governing documents and provisions of chapter.**

1. Except as otherwise provided in subsection 5 of NRS 116.212, not later than the termination of any period of declarant's control, the units' owners shall elect an executive board of **at least three members**, all of whom must be units' owners.

Can the term of office of a member of the executive board ever exceed 3 years?

- A. Yes
- B. No



Answer (A) Yes

**NRS 116.31034 Election of members of executive board and officers of association; term of office of member of executive board**

2. The term of office of a member of the executive board may not exceed 3 years, **except** for members who are appointed by the declarant.

Deemed duty elected normally happens when:

- A. The association has no time to hold an election
- B. The number of candidates for membership is equal to or less than the number of members to be elected
- C. The number of candidates for membership is greater than the number of members to be elected



## Answer (B)

### **NRS 116.31034 Election of members of executive board and officers of association; term of office of member of executive board; staggered terms;**

5. the executive board may determine that if, at the closing of the prescribed period for nominations for membership on the executive board, the number of candidates nominated for membership on the executive board is equal to or less than the number of members to be elected to the executive board at the election, then the secretary or other officer specified in the bylaws of the association will cause notice to be given to each unit's owner informing each unit's owner that:

(a) The association will not prepare or mail any ballots to units' owners pursuant to this section and the nominated candidates shall be **deemed to be duly elected** to the executive board unless:

(1) A unit's owner who is qualified to serve on the executive board nominates himself or herself for membership on the executive board by submitting a nomination to the executive board within 30 days after the notice provided by this subsection; and

(2) The number of units' owners who submit such a nomination causes the number of candidates nominated for membership on the executive board to be greater than the number of members to be elected to the executive board.

See website for complete statute-[www.red.nv.gov](http://www.red.nv.gov)

Which of the following is not required of each candidate for membership must disclose?

- A. Any financial or personal relationships that would appear to result in a potential conflict of interest
- B. Disclose if the candidate is a member in good standing
- C. Disclose any and all violations the candidate has ever had the previous year

**Answer (C)** Disclose any and all violations the candidate has ever had the previous year

**NRS 116.31034 Election of members of executive board and officers of association**

8. Each person who is nominated as a candidate for membership on the executive board pursuant to subsection 4 or 5 must:

- (a) Make a good faith effort to disclose any financial, business, professional or personal relationship or interest that would result or would appear to a reasonable person to result in a potential conflict of interest for the candidate if the candidate were to be elected to serve as a member of the executive board; and
- (b) Disclose whether the candidate is a member in good standing

Each unit's owner must be provided with at least \_\_\_\_\_ days after the date the secret written ballot is mailed to the unit's owner to return the secret ballot to the association

- A. 7 days
- B. 10 days
- C. 14 days
- D. 15 days

## Answer ( D) 15 days

### **NRS 116.31034 Election of members of executive board and officers of association**

14. Except as otherwise provided in subsection 6 or NRS 116.31105, the election of any member of the executive board must be conducted by secret written ballot in the following manner:

(a) The secretary or other officer specified in the bylaws of the association shall cause a secret ballot and a return envelope to be sent, prepaid by United States mail, to the mailing address of each unit within the common-interest community or to any other mailing address designated in writing by the unit's owner.

(b) Each unit's owner must be provided with at **least 15 days** after the date the secret written ballot is mailed to the unit's owner to return the secret written ballot to the association.

(c) A quorum is not required for the election of any member of the executive board.

(d) Only the secret written ballots that are returned to the association may be counted to determine the outcome of the election.

(e) The secret written ballots must be opened and counted at a meeting of the association

# Community Manager

The community manager shall provide a copy of the management agreement to each member of the executive board \_\_\_\_\_

- a. Within 15 days after an election or appointment of a new member to the executive board
- b. Within 30 days after an election or appointment of a new member to the executive board
- c. Once a new member sends a request in writing

## Answer ( B)

Within 30 days after an election or appointment of a new member to the executive board

### **NRS 116A.620    Management agreement**

4. After signing a management agreement, the community manager shall provide a copy of the management agreement to each member of the executive board. **Within 30 days** after an election or appointment of a new member to the executive board, the community manager shall provide the new member with a copy of the management agreement.



All the below are **standard of practice for a community manager except**

- A. Act as a fiduciary in any client relationship
- B. Advise a client to obtain advice from an independent expert relating to matters that are beyond the expertise of the community manager.
- C. Board members training
- D. Obtain, when practicable, at least three qualified bids for any capital improvement project for the client.

## Answer ( C) Board Member Training

**NRS 116A.630 Standards of practice for community managers.** In addition to any additional standards of practice for community managers adopted by the Commission by regulation pursuant to NRS 116A.400, a community manager shall:

1. Except as otherwise provided by specific statute, at all times:
  - (a) **Act as a fiduciary in any client relationship**; and
  - (b) Exercise ordinary and reasonable care in the performance of duties.
2. Comply with all applicable:
  - (a) Federal, state and local laws, regulations and ordinances; and
  - (b) Lawful provisions of the governing documents of each client.
3. Keep informed of new developments in the management of a common-interest community through continuing education, including, without limitation, new developments in law, insurance coverage and accounting principles.
4. **Advise a client to obtain advice from an independent expert relating to matters that are beyond the expertise of the community manager.**
20. **Obtain, when practicable, at least three qualified bids for any capital improvement project for the client.**

(See website for complete statute- [www.red.nv.gov](http://www.red.nv.gov))

Which of the following is not true about Executive board members?

- a. Elected by homeowners to manage the business affairs of the association
- b. Must be an owner in good standing and disclose any potential or actual conflicts of interest
- c. Serve w/o compensation-cannot provide goods or services to the association
- d. Maximum term – 3 years, May be elected to successive terms
- e. Subject to recall with or without cause, Petition signed by 10% of owners  
At least 35% AND a majority of votes cast in support
- f. None all true

## F. None – all statements true!

- a. Elected by homeowners to manage the business affairs of the association
- b. Must be an owner in good standing and disclose any potential or actual conflicts of interest
- c. Serve w/o compensation-cannot provide goods or services to the association
- d. Maximum term – 3 years, May be elected to successive terms
- e. Subject to recall with or without cause, Petition signed by 10% of owners  
At least 35% AND a majority of votes cast in support

**NRS 116.31034 Election of members of executive board and officers of association; term of office of member of executive board; staggered terms; eligibility to serve on executive board; required disclosures; procedure for conducting elections; certification by member of executive board of understanding of governing documents and provisions of chapter.**

**NRS 116.31036 Removal of member of executive board.**

# Question

A community manager handles many association accounts, many times the monies are being combined. Is this legal?

- A. Yes
- B. No



Answer ( B) No

**NRS 116A.640 Community manager prohibited from engaging in certain acts; exceptions.**

a community manager shall not:

Commingle money or other property of a client with the money or other property of another client, another association, the community manager or the employer of the community manager.

The community manager cannot be a signature on which account?

- A. Operating Account
- B. Reserve Account
- C. Checking Account
- D. Any account



## **NRS 116.41095 Required form of information statement**

**IF YOU FAIL TO PAY OWNERS' ASSESSMENTS, YOU COULD LOSE YOUR HOME?**

If you do not pay these assessments when due, the association usually has the power to collect them by selling your property in a nonjudicial foreclosure sale. If fees become delinquent, you may also be required to pay penalties and the association's costs and attorney's fees to become current. If you dispute the obligation or its amount, your only remedy to avoid the loss of your home may be to file a lawsuit and ask a court to intervene in the dispute.

**Worry!**



Answer ( B) Reserve Account

**NRS 116A.640 Community manager prohibited from engaging in certain acts; exceptions.**

a community manager shall not:

5. Be a signer on a withdrawal from a **reserve account** of a client.

**NRS 116.31153 Signatures required for withdrawals of certain association funds; exceptions.**

1. Money in the reserve account of an association required by paragraph (b) of subsection 2 of NRS 116.3115 may not be withdrawn without the signatures of at least two members of the executive board or the signatures of at least one member of the executive board and one officer of the association who is not a member of the executive board.

2. Except as otherwise provided in subsection 3, money in the **operating account** of an association may not be withdrawn without the signatures of at least one member of the executive board or one officer of the association and a member of the executive board, an officer of the association **or the community manager**.

## Website & Contact

- New Presentations
- Emails to [OMBCLASSES@red.nv.gov](mailto:OMBCLASSES@red.nv.gov)
- Presentation Power-points PDF /upon request
- NRS 116 Monthly's (Last Friday of Month)

